

The Impact of Banks' Activities on Economic Development in Nigeria

Olokoyo O. Felicia, Taiwo N. Joseph and Akinjare A. Victoria
Department of Banking and Finance, College of Business and Social Sciences,
Covenant University, Ota, Nigeria

Abstract: This study investigates the impact of Deposit Money Banks' (DMBs) activities on economic development in Nigeria. The study aims at establishing the underlying factors of banks' activities that influence economic growth. A structured questionnaire was used to elicit information from the respondent in banks in Nigeria. The data gathered were analyzed using SPSS (Statistical Packages for Social Sciences) to generate frequency percentages and also run tests using One sample Test and Anova. After thorough analysis of data collected, from the findings it was observed that Deposit Money Banks (DMBs) activities do have a significant impact on economic development in Nigeria. Thus it can be concluded that banks activities play a major role in the economy. It was therefore recommended that banks should improve on the mobilization of resources and how such resources are allocated. This would help them in pricing and trading off risk, channeling of fund and also in effective implementation of monetary and fiscal policies.

Key words: Impact of bank, economic development, DBMS, SPSS, frequency percentage, DMB

INTRODUCTION

Banks generally are among the most important financial institution that play essential role in economy of a community, country or society. They are engaged in some form of borrowing, in lending and some other financial obligations such as receiving deposits irrespective of the payment of interest and the granting of money (loans) and acceptance of credit or the purchase of bills, cheque and securities. A Deposit Money Bank (DMB) is a privately owned bank that provides a wide range of financial services both to the general public and to firm. DMBs function in various dimensions in an economy which include: Acceptance of deposit from customers for safekeeping, lending to customers, provision of loans and overdraft, discounting bill of exchange. However, a bank's major operation is the acceptance of deposits and granting of loans to different kinds of customers.

In Nigeria, the structure of DMBs is affected by the following factors; the chartering, regulatory and supervisory authority, prevalence and dominance of banking system, There is a mixture of the economic policy of deregulation which provided the fertile ground for increase in the number of banks with the presence of regulatory institutions like Central Bank of Nigeria and Nigerian Deposit Insurance Corporation (NDIC). Deposits of the banking system are concentrated in few commercial banks. The three big banks in Nigeria are First Bank of

Nigeria Plc, Union Bank Plc and United Bank for Africa Plc. DMBs typically operate three types of account namely; Current account, Fixed deposit account and Savings account. The interrelationship among the different accounts and the lending activities of the bank leads to the intermediation role of banks. The intermediation role if effectively carried has been established to be catalyst for economic development of any nation. However, this intermediation role could be plagued with problems such as lack of strong supervision of banks and publicly traded companies, inadequate information for proper efficiency and effectiveness in the economy, fraud and internal control, lack of corporate governance and poor risk management policies and strategy, lack of skilled personnel managerial control, political interference, corruption and nepotism.

On this premise, this study is carried out to investigate the influence of the activities of deposit money banks on economic growth and development of the Nigerian economy. When we look at other developing countries globally, the Nigerian economy has not reflected an economy in an upward trend. In the world today, the banking industry is seen as the livewire of any economy and as such determines the health or otherwise of such an economy of which Nigeria is not an exception. In the light of the above, this study is out to examine the contributions of Nigerian banking system to the growth and development of the Nigerian economy by posing the following questions:

- What are the factors that determine banks activities in an economy?
- How does the role of commercial affect economic development in Nigeria

Literature review: The principal activities of DMBs are operating different accounts (current, savings and fixed deposit), receiving deposits, paying out notes and coins and giving loans. They also carry out additional services which include among others; trustee and executor facilities, supply of foreign currencies, purchase and sale of securities, insurance, credit-card system and personal pensions. They also compete with the finance houses and merchant banks by providing mortgage. They engage in retail banking services through branch network and operate with a deposit base consisting of demand and time deposit and also provide short term lending.

As a catalyst in the process of economic growth and development, the Nigerian banking industry has progressively become deep and sophisticated in structure and operations. Globally, activities of banks reflects their unique role as the engine of growth in any economy, a few African countries started establishing Export-Import banks, some selected banks or in the some cases, Central banks were made to provide loans for export financing activities. The rate of growth in the Nigeria economy is a function of the capital formation and the pace at which such capital is moved into product.

They are indisputably an institution that grant loans, process and facilitates payments and deposits, creates investment avenues, pay taxes and engage in other services and products that indeed create value added for its customers, employees ,service providers, shareholders and significantly contributing to public finance. They also ensure that adequate stock of money to service the economy is available; they help to transfer money between economic units and mobilize savings in the economy.

DMBs encourage greater savings by offerings variety of avenues for lenders to invest in their asset, thereby affecting the society positively by helping to develop the understanding of the citizens towards achieving growth and development. They also help to transfer funds for surplus economic units to the deficit economic unit. A favorable nation, having balance of trade will have a stock of foreign exchange from which it can meet up its financial obligations to the outside world, including payment for goods and services and even repayment of external loans and capital transfers. The banks make this possible.

According to Usman, the basic function of banking institutions in an economy is to mobilize idle resources for

productive investment geared toward economic growth and development in the direction specified by the state or market forces. Traditionally, the impact of banks whether in a developed or developing economy, consist of financial intermediation, provision of an efficient payment system and serving as conduit for the implementation of monetary policies. It has been postulated that if these function are efficiently carried out, the economy would be able to mobilize meaningful level of savings and channel these funds in an efficient and effective manner to ensure that no viable project is frustrated due to lack of funds.

In view of the importance of banking sector in economic growth and development and imperfections of the market mechanism to mobilize and allocate financial resource to socially desirable economic activities of any nation, government all over the world do regulate them than any sector in an economy. Furthermore such an oversight is intended to assist supervisory authorities in timely identification of deterioration in bank financial conditions before it degenerates to threaten the stability of the banking system or even the economy.

An efficient banking system would generally stimulate economic growth and development by way of veritable financial intermediation process and to determine whether or not the system has developed, the first consideration are given to the trend in the aggregate assets of the banks in the financial intermediation which simply involves the process whereby financial institution mobilize and aggregate resource from the surplus economic unit and thereafter channel or disaggregate same to the deficit unit.

Financial system development can be assessed in several ways. One way is to use the volume of transaction in relation to national income. Financial system development can also be measured by increase in the kind and sophistication of financial transactions, including increase in the degree of financial system integration. Less developed economics appear first to develop financial system based mainly on bank financing with further development progress to using equity financing. In developing countries, banks usually dominate the financial sector and their performance has substantial influence on the overall efficiency of domestic resource mobilization and allocation (Obboh, 2005). The neo-classical production theory identifies capital and labour, among other as critical factors determining growth in output but in developing countries with abundance of cheap labour, capital is very scarce and expensive. The financial institutions by providing the much needed capital for output and growth fill an important gap in the development process. The two-gap theories and the

Harrod-Domar growth model again underscore the fact. The post Keynesians Economists such as Chick (1998), Davidson (1994), have made significant contribution following the seminar work of their fellow members. They stressed that the financial system matters in facilitating economic development under a liberalized and reformed environment.

Evidently, the concept of development and growth has been universally transformed into a wider phenomenon many years ago if focused on the economic variables only. Today, it encompasses both social and economic variables. The financial system all over the world plays a very important role in the growth and development of the economics they are meant to serve. As emphasis has been made by the World Bank, financial system contributions to the economy depend upon the quantity and quality of its services and the efficiency which is provided to them.

Concept of Economic Development and Economic Growth:

Several definitions have been given in respect to the explanations on economic growth and development. Economic development is the development of economic wealth of countries or regions for the well-being of their inhabitants. Economic Development is a branch of economic that deals with the study of macroeconomic causes of long term economic growth and in micro economics, the incentive issued to individual households and firms, especially in developing countries. This may involve using mathematical method for dynamic system like differential equations and inter-temporal optimization or it may involve a mixture of quantitative and qualitative methods. Development is a phenomenon which occurs over a long period of time but economic growth is increase in gross national product which can occur when we are able to achieve increase in number of resource or increase in technology or by the combination of both.

Economic growth and development are two different terms used in economics. Generally speaking economic development refers to the problems of the under developed countries and economic growth to those of the developed countries. By economic growth we simply mean increase in per capital income or increase in gap. In recent literature, the term economic growth refers to sustained increase in a country's output of goods and services or more precisely product per capital. Output is generally measured in terms of gross national product. The term economic development is far more comprehensive. It implies progressive changes in the socio-economic structure of a country. Economic development narrowly measures the economic welfare

that does not take account of the importance of non-economic aspects e.g. more leisure time, access to health and education, conducive environment, freedom and social justice etc.

Economic growth is necessary but insufficient condition for economic development. Seers (2001) argues that development is all about outcomes i.e. development occurs with the reduction or elimination of poverty, inequality and unemployment with a growth economy. Economic development is the increase in the standard of living of a nation's population with sustained growth from a simple, low-income economy to a high-income economy. Its scope includes the process and policies by which a nation improves the economic, political and social well-being of its people. Economic growth implies only an increase in quantitative output it may or may not involve development. Economic growth is often measured by rate of change of gross domestic product. Gross domestic product is the aggregate value added by the economic activity with a country's borders. Economic growth can either be positive or negative. Negative growth can also be referred to as a shrinking economy. Negative growth is associated with economic recession and economic depression. Positive growth is associated with the progress in standard of living in an economy. Economic development typically involves improvements in a variety of indicators such as literacy rates, life expectancy and poverty rates. A country's economic development is related to its human development which encompasses, among other thing, health and education.

MATERIALS AND METHODS

This research work intends to examine the impact of commercial bank activities on economic development in Nigeria. The method employed to examine the impact of commercial bank activities of economic development in Nigeria is the survey method. Data were collected using a non-probability sampling method. Here the sampling selection is based on the subjective choice of the researcher as to which elements best provide desired basis and probability of good outcome. Questionnaires were administered to 100 respondents among bank staff. Data collected from the questionnaire is analysed using the Statistical Packages for Social Sciences (SPSS) while the hypotheses is tested using the t-test statistical method and linear regression method.

Hypotheses: To achieve the objectives stated in this study, the following hypotheses are formulated.

Hypothesis 1

H₀: DMBs interest rates do not have a significant impact on economic development

H₁: DMBs interest rates do have a significant impact on the economic development

Hypothesis 2

H₀: DMBs loans and advances is not a tool for economic development

H₁: DMBs loans and advances is a tool for economic development

RESULTS AND DISCUSSION

This study involves the analysis of data and discussion of result and presentation of data. The Hypothesis testing was conducted using the t-test, the Spearman Rank correlation and appropriate interpretation and discussion were made thereon according to the result of the testing.

Table 1 A total number of 100 questionnaires were distributed and 94 of these questionnaires were returned, showing average return rate 94% questionnaires. The amount retrieved thus represents about 94% of total questionnaire administered and is a reasonable level upon which research can be based and valid conclusions drawn from the research.

Analysis on Sex of Respondent: Table 2 shows that 49 out of the total of 94 respondents were males, representing approximately 52.1% of the entire sample size while 45 were females, representing approximately 47.9% of the sample size.

Analysis on marital status: Table 3, it can be deduced that 33 respondent are single representing 35.1%, 56 respondents are married representing 59.6%, 4 were widow representing 4.3% and 1 respondent is divorced representing 1.1%.

Analysis on age of respondent: Table 4, it can be deduced that out of the 94 respondents, 13 were between 20-24 (representing 13.8%), 24 were between the ages of 25-29 (representing 25.5%), 42 were between the ages of 30-34 (representing 44.7%) and 15 were above the age of 35 (representing 16%).

Analysis on educational qualification: Table 5, it can be deduced that out of the 94 respondents, 7 of the respondents have only WACE/GCE/O LEVEL representing 7.4% of the total respondents' population,

Table 1: Rate of response by respondents

Questionnaire	Respondents	(%)
Returned	94	94
Not returned	6	6
Total distributed	100	100

Table 2: Sex of respondent

Variable	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Male	49	52.1	52.1	52.1
Female	45	47.9	47.9	100.0
Total	94	100.0	100.0	ss

Table 3: marital status of respondent marital status

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Single	33	35.1	35.1	35.1
Married	56	59.6	59.6	94.7
Widow	4	4.3	4.3	98.9
Divorced	1	1.1	1.1	100.0
Total	94	100.0	100.0	

Table 4: Age group of Respondent

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
20-24yrs	13	13.8	13.8	13.8
25-29yrs	24	25.5	25.5	39.4
30-34yrs	42	44.7	44.7	84.0
35 and above	15	16.0	16.0	100.0
Total	94	100.0	100.0	

Table 5: Educational Qualification

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
WACE/GCE/O LEVEL	7	7.4	7.4	7.4
OND/NCE	22	23.4	23.4	30.9
BSC/HND	43	45.7	45.7	76.6
MSC/MBA	17	18.1	18.1	94.7
OTHERS	5	5.3	5.3	100.0
Total	94	100.0	100.0	

Table 6: Has DMBs activities improve the economy of Nigeria?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	70	74.5	74.5	74.5
No	24	25.5	25.5	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

22 of the respondents have only OND/NCE representing 23.4%, 43 of the respondents have only BSC/HND representing 45.7%, 17 of the respondents have only MSC/MBA representing 18.1%, while OTHERS were 5 representing 5.3%.

Analysis on: has dmbs activities improve the economy of nigeria: Table 6, it can be deduced that out of the 94 respondents, 70 of the respondents thinks that commercial bank activities have improve the economy of Nigeria (representing 74.5%), 24 of the respondents does not think that commercial bank activities have improve the economy of Nigeria (representing 25.5%).

Table 7: Do banking services have positive effect on the economy

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	65	69.1	69.1	69.1
No	29	30.9	30.9	100.0
Total	94	100.0	100.0	

Table 8: Are there hindrances to the effective carrying out of these services

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	64	68.1	68.1	68.1
No	30	31.9	31.9	100.0
Total	94	100.0	100.0	

Table 9: Are there new services introduced by your banks

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	69	73.4	73.4	73.4
No	25	26.6	26.6	100.0
Total	94	100.0	100.0	

Table 10: Do you think that DMBs interest rate have any impact on the development of the Nigerian economy

Variables	Frequency	(%)	Valid (%)	Cumulative(%)
Valid				
Yes	63	67.0	67.0	67.0
No	31	33.0	33.0	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

Analysis on: Do banking services have effect on the economy positively: Table 7, it can be deduced that out of the 94 respondents, 65 of the respondents thinks that the banking services have effect on the economy positively (representing 69.1%), 29 of the respondents does not think that the banking services have effect on the economy positively (representing 30.9%).

Table 8 it can be deduced that out of the 94 respondents, 64 of the respondents thinks that there are hindrances in carrying out these services (representing 68.1%), 30 of the respondents does not think that there are hindrances in carrying out these services (representing 31.9%).

Analysis on: Are there new services introduced by your banks: Table 9, it can be deduced that out of the 94 respondents, 69 of the respondents thinks that there new services introduced by your banks (representing 74.4%), 25 of the respondents does not think that there new services introduced by your banks (representing 26.6%).

Analysis on: Do you think that DMBs interest rate have any impact on the development of the Nigerian economy: Table 10, it can be deduced that out of the 94 respondents, 63 of the respondents thinks that commercial bank interest rate have an impact on the development of the Nigerian economy (representing 67.0%), 31 of the respondents does not think that

Table 11: Does the bank consider the customers need before developing its services

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	70	74.5	74.5	74.5
No	24	25.5	25.5	100.0
Total	94	100.0	100.0	

Table 12: Have these services affected your banking business positively

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	58	61.7	61.7	61.7
No	36	38.3	38.3	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

Table 13: Do you have any other bank you bank with

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	54	57.4	57.4	57.4
No	40	42.6	42.6	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

commercial bank interest rate have an impact on the development of the Nigerian economy (representing 33.0%).

Analysis on: Does the bank consider the customers need before developing its services: Table 11, it can be deduced that out of the 94 respondents, 70 of the respondents thinks that the bank should consider the customer need before developing their services (representing 74.5%), 24 of the respondents does not think that the bank should consider the customer need before developing their services (representing 25.5%).

Analysis on: Have these services affected your banking business positively: Table 12, it can be deduced that out of the 94 respondents, 58 of the respondents thinks that the services affects your banking business positively (representing 61.7%), 36 of the respondents does not think that services affects your banking business positively (representing 38.3%).

Analysis on: Do you have any other bank you bank with analysis: Table 13, it can be deduced that out of 94 respondents, 54 of the respondents do have other banks they bank with (representing 57.4%), 40 of the respondents do not have other banks they bank with (respectively 42.6%).

Analysis on: What in your view is the best way for passing across information analysis: Table 14, it can be deduced that out of 94 respondents, 18 of the respondents says television is the best way for passing

Table 14: What is your view in the best way for passing across information

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Television	18	19.1	19.1	19.1
Radio	23	24.5	24.5	43.6
Print media	19	20.2	20.2	63.8
Personal contract	17	18.1	18.1	81.9
E-mail	17	18.1	18.1	100.0
Total	94	100.0	100.0	

Table 15: What type of account do you operate mostly in

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Savings	62	66.0	66.0	66.0
Current	21	22.3	22.3	88.3
Time deposit	8	8.5	8.5	96.8
Others	3	3.2	3.2	100.0
Total	94	100.0	100.0	

Table 16: What is your rating of the quality of the banking business?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Excellent	24	25.5	25.5	25.5
Very good	25	26.6	26.6	52.1
Good	19	20.2	20.2	72.3
Fair	18	19.1	19.1	91.5
Poor	8	8.5	8.5	100.0
Total	94	100.0	100.0	

Field survey (2013)

across information (representing 19.1%), 23 of the respondents says radio is the best way for passing across information (representing 24.5%), 19 of the respondents says the print media is the best way for passing across information (representing 20.2%), 17 of the respondents says personal contract is the best way for passing across information (representing 18.1%), 17 of the respondents says email is the best way for passing across information (representing 18.1%).

Analysis on: What type of account do you operate mostly in? Analysis Table 15, it can be deduced that out of 94 respondents, 62 of the respondents says they operate mostly with savings (representing 66%), 21 of the respondents says they operate mostly with current (representing 22.3%), 8 of the respondents says they operate mostly with time deposit (representing 8.5%) and 3 of the respondents says they operate with others (representing 3.2%).

Analysis on: What is your rating of the quality of the banking business? Analysis Table 16, it can be deduced that out of 94 respondents, 24 of the respondents rate excellent of the quality of the banking business (representing 25.5%), 25 of the respondents rate very good of the quality of the banking business (representing 26.6%), 19 of the respondents rate good of the quality of the banking business (representing 20.2%), 18 of the

Table 17: What do you think causes delay in time of transaction of business in the bank?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Lack of Modern Facilities	21	22.3	22.3	22.3
Ignorance on the part of customers	32	34.0	34.0	56.4
Insufficient banking staff	23	24.5	24.5	80.9
Attitude of bank staff to work	18	19.1	19.1	100.0
Total	94	100.0	100.0	

Table 18: What is the primary objective of the bank?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Good image	19	20.2	20.2	20.2
Customer Satisfaction	46	48.9	48.9	69.1
Profitability	21	22.3	22.3	91.5
Other	8	8.5	8.5	100.0
Total	94	100.0	100.0	

Table 19: Does your bank keep customers information confidential?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	65	69.1	69.1	69.1
No	29	30.9	30.9	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

respondents rate fair the quality of the banking business (representing 19.1%) and 8 of the respondents rate poor of the quality of the banking business (representing 8.5%).

Analysis on: What do you think causes delay in time of transaction of business in the bank? Analysis Table 17, it can be deduced that out of 94 respondents, 21 of the respondents says lack of modern facilities causes delay in time transaction of business in the bank (representing 22.3%), 32 of the respondents says ignorance on the part of customers causes delay in time transaction of business in the bank (representing 34%), 23 of the respondents says insufficient banking staff causes delay in time transaction of business in the bank (representing 24.5%) and 18 of the respondents says attitude of bank staff to work causes delay in time transaction of business in the bank (representing 19.1%).

Analysis on: What is the primary objective of the bank? Analysis Table 18, it can be deduced that out of 94 respondents, 19 of the respondents thinks good image is the preliminary objective of the bank (representing 20.2%), 46 of the respondents thinks customer satisfaction is the preliminary objective of the (representing 48.9%), 21 of the respondents thinks profitability is the preliminary objective of the bank (representing 22.3%) and 8 of the respondents say others are the preliminary objective of the bank (8.5%).

Analysis on: Does your bank keep customers information confidential? Table 19, it can be deduced that

out of the 94 respondents, 65 of the respondents thinks that bank keep customers information confidential or secretive (representing 69.1%), 29 of the respondents does not think that bank keep customers information confidential or secretive (representing 30.9%).

Analysis on: How do your banks attract and retain their customers? Analysis Table 20, it can be deduced that out of 94 respondents, 13 of the respondents says their bank attract and retain customers through advertisement (representing 13.8%), 17 of the respondents says their bank attract and retain customers through personnel contract (representing 18.1%), 61 of the respondents says their bank attract and retain customer through satisfying customer needs (representing 64.9%) and 3 of the respondents says their bank attract and retain customers through other means (representing 3.2%).

Analysis on: Do you think DMBs loans and advances have any impact on the development of the Nigerian economy Table 21, it can be deduced that out of the 94 respondents, 66 of the respondents thinks that DMBs loans and advances have any impact on the development of the Nigerian economy (representing 70.2%), 28 of the respondents does not think that commercial bank loans and advances have any impact on the development of the Nigerian economy (representing 29.8%).

Table 20: How does your bank attract and retain the customers

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Advertisement	13	13.8	13.8	13.8
Personnel contract	17	18.1	18.1	31.9
Satisfying customer needs	61	64.9	64.9	96.8
Others	3	3.2	3.2	100.0
Total	94	100.0	100.0	

Field survey (2015)

Table 24: Descriptive statistics

Variables	N	Minimum	Maximum	Mean	SD
Has DMBs activities improve the economy of Nigeria	94	1.00	2.00	1.2553	0.43838
Do banking services have effect on the economy positively	94	1.00	2.00	1.3085	0.46436
Are there hindrances to the effective carrying out of these services	94	1.00	2.00	1.3191	0.46865
Are there new services introduced by your banks	94	1.00	2.00	1.2660	0.44421
Do you think that DMBs interest rate have any impact on the development of the Nigerian economy	94	1.00	2.00	1.3298	0.47266
Does the bank consider the customers need before developing its services	94	1.00	2.00	1.2553	0.43838
Have these services affected your banking business positively	94	1.00	2.00	1.3830	0.48872
Do you have any other bank you bank with	94	1.00	2.00	1.4255	0.49707
What is your view in the best way for passing across information	94	1.00	5.00	2.9149	1.38858
What type of account do you operate mostly in	94	1.00	4.00	1.4894	0.78623
What is your rating of the quality of the banking business	94	1.00	5.00	2.5851	1.29024
What do you think causes delay in time transaction of business in the bank	94	1.00	4.00	2.4043	1.04026
What is the preliminary objective of the bank	94	1.00	4.00	2.1915	0.85856
Does your bank keep customers information confidential or secretive	94	1.00	2.00	1.3085	0.46436
How does your bank attract and retain the customers	94	1.00	4.00	2.5745	0.76888
Do you think DMBs loans and advances have any impact on the development of the Nigerian economy	94	1.00	2.00	1.2979	0.45978
How did you get to know about this bank?	94	1.00	4.00	2.3298	1.03059
Has the introduction of new services in your bank brought more customers to your bank	94	1.00	2.00	1.2447	0.43220
Valid N (listwise)	94				

Analysis on: How did you get to know about this bank?

Analysis Table 22, it can be deduced that out of 94 respondents, 23 of the respondents get to know about this bank through advertising (representing 24.5%), 33 of the respondents get to know about this bank through the bank staffs (representing 35.1%), 22 of the respondents get to know about this bank through another bank (representing 23.4%) and 16 of the respondents get to know about this bank through people (representing 17%).

Analysis on: Has the introduction of new services in your bank brought more customers to your bank? Table 23 and 24 it can be deduced that out of the 94 respondents,

Table 21: Do you think DMBs loans and advances have any impact on the development of the Nigerian economy?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	66	70.2	70.2	70.2
No	28	29.8	29.8	100.0
Total	94	100.0	100.0	

Table 22: How did you get to know about this bank?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Advertising	23	24.5	24.5	24.5
Bank Staff	33	35.1	35.1	59.6
Another Bank	22	23.4	23.4	83.0
People	16	17.0	17.0	100.0
Total	94	100.0	100.0	

Table 23: Has the introduction of new services in your bank brought more customers to your bank?

Variables	Frequency	(%)	Valid (%)	Cumulative (%)
Valid				
Yes	71	75.5	75.5	75.5
No	23	24.5	24.5	100.0
Total	94	100.0	100.0	

Field Survey, (2015)

Table 25: Has DMBs activities improve the economy of Nigeria?

Descriptive statistics	N	Min.	Max.	Mean	SD
Has commercial bank activities improve the economy of Nigeria	94	1.00	2.00	1.2553	0.43838
Valid N (listwise)	94				

Table 26: Do banking services have effect on the economy positively?

Descriptive statistics	N	Min.	Max.	Mean	SD
Do banking services have effect on the economy positively	94	1.00	2.00	1.3085	0.46436
Valid N (listwise)	94				

Table 27: Are there hindrances to the effective carrying out of these services?

Descriptive Statistics	N	Min.	Max.	Mean	SD
Are there hindrances to the effective carrying out of these services	94	1.00	2.00	1.3191	0.46865
Valid N (listwise)	94				

Table 28: Are there new services introduced by your banks?

Descriptive Statistics	N	Min.	Max.	Mean	SD
Are there new services introduced by your banks	94	1.00	2.00	1.2660	0.44421
Valid N (listwise)	94				

Field Survey, (2015)

71 of the respondents thinks that the introduction of new services in your bank brought more customers to your bank (representing 75.5%), 23 of the respondents does not think that the introduction of new services in your bank brought more customers to your bank (representing 24.5%).

Data analysis: The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.26 and a standard deviation of 0.438 (Table 25 and 26).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.31 and a standard deviation of 0.464 (Table 27 and 28).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.32 and a standard deviation of 0.469.

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.23 and a standard deviation of 0.444.

The question was a yes, no and the table shows that we had respondents who answered yes, no which was

Table 29: Do you think that DMBs interest rate have any impact on the development of the Nigerian economy?

Descriptive statistics	N	Min.	Max.	Mean	SD
Do you think that DMBs interest rate have any impact on the development of the Nigerian economy	94	1.00	2.00	1.3298	0.47266
Valid N (listwise)	94				

Table 30: Does your bank consider the customers' need before developing its services?

Descriptive statistics	N	Min.	Max.	Mean	SD
Does your bank consider the customers' need before developing its services?	94	1.00	2.00	1.3085	0.46436
Valid N (listwise)	94				

Table 31: Have these services affected your banking business positively?

Descriptive statistics	N	Min.	Max.	Mean	SD
Have these services affected your banking business positively	94	1.00	2.00	1.3830	0.48872
Valid N (listwise)	94				

Table 32: Do you have any other bank you patronize?

Descriptive statistics	N	Min.	Max.	Mean	SD
Do you have any other bank you patronize?	94	1.00	2.00	1.4255	0.49707
Valid N (listwise)	94				

Table 33: What is your view in the best way for passing across information?

Descriptive statistics	N	Min.	Max.	Mean	SD
What is your view in the best way for passing across information	94	1.00	5.00	2.9149	1.38858
Valid N (listwise)	94				

coded 1 and 2 (minimum and maximum), respectively. Most of the respondent answered yes. The question has a mean of 1.33 and a standard deviation of 0.473 (Table 29 and 30).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.31 and a standard deviation of 0.464 (Table 31).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.38 and a standard deviation of 0.489.

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.43 and a standard deviation of 0.497 (Table 32 and 33).

The question required respondents to give their view of the perception of the above question under Television, Radio, Print media, Personal contract and E-mail which was coded 5 to 1 respectively. Therefore, the table show that most of the respondent agreed that the best way of

Table 34: What type of account do you operate mostly?

Descriptive statistics	N	Min.	Max.	Mean	SD
What type of account do you operate mostly?	94	1.00	4.00	1.4894	0.78623
Valid N (listwise)	94				

Table 35: What is your rating of the quality of the banking business?

Descriptive statistics	N	Min.	Max.	Mean	SD
What is your rating of the quality of the banking business	94	1.00	5.00	2.5851	1.29024
Valid N (listwise)	94				

Table 36: What do you think causes delay in time of transaction of business in the bank?

Descriptive Statistics	N	Min.	Max.	Mean	SD
What do you think causes delay in time of transaction of business in the bank	94	1.00	4.00	2.4043	1.04026
Valid N (listwise)	94				

Table 37: What is the primary objective of the bank? Descriptive Statistics

	N	Min.	Max.	Mean	SD
What is the preliminary objective of the bank	94	1.00	4.00	2.1915	0.85856
Valid N (listwise)	94				

Field Survey, (2015)

passing information is through the Radio. The question has a mean of 2.92 and a standard deviation of 1.389.

The question required respondents to give their view of the perception of the above question under Savings, Current, Time deposit and others which were coded 4 to 1 respectively. Therefore, the table shows that most of the respondent agreed that the account they mostly operate in is Savings account. The question has a mean of 1.49 and a standard deviation of 0.786. This means that the data is clustered closely around the mean (Table 34 and 35).

The question required respondents to give their view of the perception of the above question under Excellent, Very good, Good, Fair and Poor which were coded 5 to 1 respectively. Therefore, the table shows that most of the respondent agreed that the quality of the banking business is good. The question has a mean of 2.59 and a standard deviation of 1.290 (Table 36 and 37).

The question required respondents to give their view of the perception of the above question under Lack of modern facilities, Ignorance on the part of customers, Insufficient banking staff, Attitude of bank staff to work which were coded 4-1, respectively. Therefore, the table shows that most of the respondent thinks that the cause of delay in time transaction of business in the bank is Ignorance on the part of customers. The question has a mean of 2.4 and a standard deviation of 1.040.

The question required respondents to give their view of the perception of the above question under Good Image, Customer Satisfaction, Profitability and others which were coded 4 to 1 respectively. Therefore, the table shows that most of the respondent thinks that the primary

Table 38: Does your bank keep customers information confidential?

Descriptive statistics	N	Min.	Max.	Mean	SD
Does your bank keep customers information confidential or secretive	94	1.00	2.00	1.3085	0.46436
Valid N (listwise)	94				

Table 39: How does your bank attract and retain the customers?

Descriptive statistics	N	Min.	Max.	Mean	SD
How does your bank attract and	94	1.00	4.00	2.5745	0.76888
Valid N (listwise)	94				

Table 40: Do you think commercial bank loans and advances have any impact on the development of the Nigerian economy?

Descriptive statistics	N	Min.	Max.	Mean	SD
Do you think Commercial bank loans and advances have any impact on the development of the Nigerian economy	94	1.00	2.00	1.2979	.45978
Valid N (listwise)	94				

Table 41: How did you get to know about this bank?

Descriptive statistics	N	Min.	Max.	Mean	SD
How did you get to know	94	1.00	4.00	2.3298	1.03059
Valid N (listwise)	94				

Field Survey (2015)

objective of the bank is Customer Satisfaction. The question has a mean of 2.19 and a standard deviation of 0.859 (Table 38 and 39).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.31 and a standard deviation of 0.464.

The question required respondents to give their view of the perception of the above question under Advertisement, Personnel Contract, Satisfying Customer Needs and others which were coded 4 to 1 respectively. Therefore, the table shows that most of the respondent thinks that bank attract and retain customers through Satisfying Customer Needs. The question has a mean of 2.57 and a standard deviation of 0.769 (Table 40 and 41).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.3 and a standard deviation of 0.46.

The question required respondents to give their view of the perception of the above question under Advertising, Bank Staff, Another Bank and People which were coded 4 to 1 respectively. Therefore, the table shows that most of the respondents get to know their bank through Bank Staff. The question has a mean of 2.33 and a standard deviation of 1.031 (Table 42 and 43).

The question was a yes, no and the table shows that we had respondents who answered yes, no which was coded 1 and 2 (minimum and maximum) respectively. Most of the respondent answered yes. The question has a mean of 1.2 and a standard deviation of 0.432 (Table 44 and 45).

Hypothesis testing: In testing Hypothesis 1, The One-Sample T Test compares the mean score of a sample to a known value. Usually, the known value is a population mean.

Null hypothesis: DMBs interest rates do not have a significant impact on economic development.

Alternative Hypothesis: DMBs interest rates do have a significant impact on the economic development (Table 46-49).

Interpretation

The above question has a calculated value (t-value) of 27.277 and a critical value of approximately 2.000 at 5% level of significance and degree of freedom of 93. From the above analysis, the calculated value is above the tabulated value, therefore the null hypothesis (H_0) should be rejected in favor of the alternative hypothesis (H_1) accepted. Also, the two tail significance level which is 0.00 is less than 0.05 which is the level of significance; therefore the null hypothesis should be rejected. Hence, DMBs' interest rates do have a significant impact on the economic development in testing.

Hypothesis 2: The One-Sample T Test compares the mean score of a sample to a known value. Usually, the known value is a population mean.

Null Hypothesis: DMBs loans and advances is not a tool for economic development.

Alternative hypothesis: DMBs loans and advances is a tool for economic development.

Table 42: Has the introduction of new services in your bank brought more customers to your bank?

Descriptive statistics	N	Min.	Max.	Mean	SD
Has the introduction of new services in your bank brought more customers to your bank?	94	1.00	2.00	1.2447	0.43220
Valid N (listwise)	94				

Table 43: A one sample t-statistics

	N	Mean	SD	SE Mean
Do you think that DMBs' interest rate have any impact on the development of the Nigerian economy?	94	1.3298	.47266	0.04875

Field survey (2015)

Table 44: One sample test

Parameters	Test value = 0		Sig. (2-tailed)	Mean difference		95% confidence interval of the difference	
	Lower	Upper		Lower	Upper	Lower	Upper
Do you think that DMBs' interest rate have any impact on the development of the Nigerian economy?	27.277	93	0000	1.32979		1.2330	1.4266

Field survey (2015)

Interpretation

The above question has a calculated value (t-value) of 27.368 and a critical value of approximately 2.000 at 5% level of significance and degree of freedom of 93. From the above analysis, the calculated value is above the tabulated value, therefore the null hypothesis (H_0) should be rejected in favor of the alternative hypothesis (H_1) accepted. Also, the two tail significance level which is 0.00 is less than 0.05 which is the level of significance; therefore the null hypothesis should be rejected. Hence DMBs' loans and advances is a tool for economic development.

Further testing **Hypothesis 1**, the Analysis of Variance test (ANOVA) was employed, to capture the differences between means, where there are three or more means.

Null Hypothesis: DMBs' interest rates do not have a significant impact on economic development.\

Alternative Hypothesis: DMBs' interest rates do have a significant impact on the economic development.

Level of Significance: 0.05

Calculated F-value: .208

It is not significant at 5% level of significance. Thus, the null hypothesis for Anova which states that there is no significant difference in their opinions is accepted. Hence, DMBs' interest rates do not have a significant impact on economic development.

Further testing **Hypothesis 2**, the Analysis of Variance test (ANOVA) was employed, to capture the differences between means, where there are three or more means

Null Hypothesis: DMBs' loans and advances is not a tool for economic development.

Alternative Hypothesis: DMBs' loans and advances is a tool for economic development.

Level of Significance: 0.05

Calculated F-value: .006

Decision:

It is not significant at 5% level of significance. Thus, the null hypothesis for Anova which states that there is no significant difference in their opinions is accepted. Hence, DMBs' loans and advances is not a tool for economic development.

Table 45: A one sample t-statistics

	N	Mean	SD	SE mean
Do you think DMBs' loans and advances have any impact on the development of the Nigerian economy?	94	1.2979	0.45978	0.04742

Table 46: One sample test

	Test value = 0		Sig. (2-tailed)	Mean difference	95% confidence interval of t	
	T	Df				
	-----	-----			-----	-----
	Lower	Upper	Lower	Upper	Lower	Upper
Do you DMBs loans and advances have any impact on the development of the Nigerian economy?	27.368	93	.000	1.29787	1.2037	1.3920

Table 48: A Anova

Model	Sum of squares	df	Mean square	F	Sig.
1	Regression	0.040	1	0.040	0.208
	Residual	17.832	92	0.194	0.650(a)
	Total	17.872	93		

Table 49: Anova

Model	Sum of Squares	df	Mean F	Sig.
1	Regression	0.001	1	0.001 0.006
	Residual	17.871	92	0.194
	Total	17.872	93	

Field survey (2015)

CONCLUSION

This study evaluates the impact of DBMs activities on economic development in Nigeria. The financial service industry has been constantly changing in its operational environment which includes competition between staffs, finding out about new technology, globalization and merger of banks and so on. DMBs activities have impacted on the economy development in Nigeria because the services offered by the bank to customer are effectively carried out. The findings of the study revealed that DMBs activities have help improve the economy of Nigeria. A further analysis state that the DMBs loans and advances do have impact on the development of the Nigerian economy and that ignorance on the part of customers causes delay in time transaction of business in the bank. Customers now have full confidence to save their money in banks. There is improvement in their services on a continuous basis and banks ensure that the available resources are well utilized and function properly

towards the growth of the economy and for better productivity. More so, the banks' loans and advances are significantly important for the growth of the Nigerian economy.

RECOMMENDATIONS

The study therefore, recommends that the banks should also seek enhanced cooperation among one another on one hand and the regulators and supervisors on the other hand. The government should encourage the extension of facilities majorly to SMEs and provide more social amenities especially to local communities. The banks should mobilize resources and also allocate resources in such a way that would help in pricing and trading off risk on loans. They should also ensure proper channeling of fund and help in effective implementation of monetary and fiscal policies.

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